GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2728
ANSWERED ON:17.03.2017
Polymer Notes
Karandlaje Km. Shobha;Simha Shri Prathap

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.2728
TO BE ANSWERED ON 17th MARCH 2017/26TH PHALGUNA SAKA, 1938

POLYMER NOTES

2728. SHRI PRATHAP SIMHA:
KUMARI SHOBHA KARANDLAJE:

QUESTION

Will the Minister of FINANCE be pleased to state:
(a) whether the Government proposes to introduce polymer notes of various denomination and if so, the details thereof and if not, the reasons therefor;

(b) whether the plastic notes have an average life span of about five years and are difficult to imitate/ counterfeit and if so, the details thereof;

(c) whether RBI has issued guidelines to focus on the need to discourage people from inscription, scrawling or scribbling on any part of the notes and if so, the details thereof;

(d) whether RBI/Government has set up any panel/committee to review the threats inherent in the existing or emerging technology in the banking transactions and if so, the details thereof; and

(e) whether the Government/RBI has formulated any policy to strengthen cyber security and resilience of banks in this regard and if so, the details thereof?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY FOR FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) It has been decided to conduct a field trial with plastic banknotes at five locations of the country. Approval for procurement of plastic substrate and printing of bank notes of Rs.10 denomination on plastic banknote substrates has been conveyed to RBI.

(b) Plastic banknotes are expected to last longer than cotton substrate based banknotes. Over the years, central banks across the world have been exploring different solutions for extending the lifecycle of banknotes. These include introduction of plastic banknotes and other developments in banknote substrates for enhancing durability including use of natural fibre blends, varnish of banknotes etc.

(c) The following actions have been taken by RBI
i. Vide its Directive dated November 07, 2001 under Section 35 (A) of B. R. Act, 1935 advised all banks not to write anything on watermark window of banknotes.
ii. RBI has also issued a Press Release on December 31, 2013 on "RBI's clarification on scribbling on Banknotes".
iii. RBI has advised all the bank branches to display at their branch premises at prominent place, a board indicating the availability of notes exchange facility for information of general public.
iv. RBI from time to time issues instructions to banks to organize exchange melas to mop up soiled and mutilated banknotes from circulation.
v. RBI periodically issues Press Releases appealing to the members of public not to inscribe anything on banknotes as it damages

the notes and poses difficulty in identifying the features of genuine banknotes.

(d) & (e) An inter-disciplinary Standing Committee on Cyber Security has been constituted to review the threats inherent in the existing/ emerging technology and suggest appropriate policy interventions to strengthen cyber security and resilience.